

1 triet of Columbia (each referred to in this section as a
2 ‘State’) during the period, subject to section 3404(c), be-
3 ginning on January 1, 2020, and ending on December 31,
4 2022, for the purposes described in section 3402.

5 **“SEC. 3402. USE OF FUNDS.**

6 “A State may use the funds allocated to the State
7 under this title for any of the following purposes:

8 “(1) Helping, through the provision of financial
9 assistance, high-risk individuals who do not have ac-
10 cess to health insurance coverage offered through an
11 employer enroll in health insurance coverage in the
12 individual market in the State, as such market is de-
13 fined by the State (whether through the establish-
14 ment of a new mechanism or maintenance of an ex-
15 isting mechanism for such purpose).

16 “(2) Providing incentives to appropriate entities
17 to enter into arrangements with the State to help
18 stabilize premiums for health insurance coverage in
19 the individual market, as such markets are defined
20 by the State.

21 “(3) Reducing the cost for providing health in-
22 surance coverage in the individual market and small
23 group market, as such markets are defined by the
24 State, to individuals who have, or are projected to
25 have, a high rate of utilization of health services (as

1 measured by cost) and to individuals who have high
2 costs of health insurance coverage due to the low
3 density population of the State in which they reside.

4 “(4) Promoting participation in the individual
5 market and small group market in the State and in-
6 creasing health insurance options available through
7 such market.

8 “(5) Promoting access to preventive services;
9 dental care services (whether preventive or medically
10 necessary); vision care services (whether preventive
11 or medically necessary); or any combination of such
12 services.

13 “(6) Maternity coverage and newborn care.

14 “(7) Prevention, treatment, or recovery support
15 services for individuals with mental or substance use
16 disorders, focused on either or both of the following:

17 “(A) Direct inpatient or outpatient clinical
18 care for treatment of addiction and mental ill-
19 ness.

20 “(B) Early identification and intervention
21 for children and young adults with serious men-
22 tal illness.

23 “(8) Providing payments, directly or indirectly,
24 to health care providers for the provision of such

1 health care services as are specified by the Adminis-
2 trator.

3 “(9) Providing assistance to reduce out-of-pock-
4 et costs, such as copayments, coinsurance, pre-
5 miums, and deductibles, of individuals enrolled in
6 health insurance coverage in the State.

7 **“SEC. 3403. STATE ELIGIBILITY AND APPROVAL; DEFAULT**
8 **SAFEGUARD.**

9 “(a) ENCOURAGING STATE OPTIONS FOR ALLOCA-
10 TIONS.—

11 “(1) IN GENERAL.—To be eligible for an alloca-
12 tion of funds under this title for a year during the
13 period described in section 3401 for use for one or
14 more purposes described in section 3402, a State
15 shall submit to the Administrator an application at
16 such time (but not later than March 31 of the pre-
17 vious year) and in such form and manner as speci-
18 fied by the Administrator and containing—

19 “(A) a description of how the funds will be
20 used for such purposes; and

21 “(B) such other information as the Admin-
22 istrator may require.

23 “(2) AUTOMATIC APPROVAL.—An application so
24 submitted is approved unless the Administrator noti-
25 fies the State submitting the application, not later

1 than 60 days after the date of the submission of
2 such application, that the application has been de-
3 nied for not being in compliance with any require-
4 ment of this title and of the reason for such denial.

5 “(3) ONE-TIME APPLICATION.—If an applica-
6 tion of a State is approved for a year, with respect
7 to a purpose described in section 3402, such applica-
8 tion shall be treated as approved, with respect to
9 such purpose, for each subsequent year through
10 2022.

11 “(b) DEFAULT FEDERAL SAFEGUARD.—

12 “(1) IN GENERAL.—In the case of a State that
13 does not have in effect an approved application
14 under this section for 2020, 2021, or 2022, the Ad-
15 ministrator, in consultation with the State insurance
16 commissioner, shall use the allocation that would
17 otherwise be provided to the State under this title
18 for such year, in accordance with paragraph (2), for
19 such State.

20 “(2) REQUIRED USE FOR MARKET STABILIZA-
21 TION PAYMENTS TO ISSUERS.—Subject to section
22 3404(a), an allocation for a State made pursuant to
23 paragraph (1) for a year shall be used to carry out
24 the purpose described in section 3402(2) in such
25 State by providing payments to appropriate entities

1 described in such section with respect to claims that
2 exceed \$50,000 (or, with respect to allocations made
3 under this title for 2021 or a subsequent year dur-
4 ing the period specified in section 3401, such dollar
5 amount specified by the Administrator), but do not
6 exceed \$350,000 (or, with respect to allocations
7 made under this title for 2021 or a subsequent year
8 during such period, such dollar amount specified by
9 the Administrator), in an amount equal to 75 per-
10 cent (or, with respect to allocations made under this
11 title for 2021 or a subsequent year during such pe-
12 riod, such percentage specified by the Administrator)
13 of the amount of such claims.

14 **“SEC. 3404. ALLOCATIONS.**

15 “(a) APPROPRIATION.—For the purpose of providing
16 allocations for States (including pursuant to section
17 3403(b)) under this title there is appropriated, out of any
18 money in the Treasury not otherwise appropriated,
19 \$2,500,000,000 for each of years 2020 through 2022.

20 “(b) ALLOCATIONS.—

21 “(1) PAYMENT.—From amounts appropriated
22 under subsection (a) for a year (beginning with
23 2020 and ending with 2022), the Administrator
24 shall, with respect to a State and not later than
25 January 1 of such year, allocate for such State (in-

1 including pursuant to section 3403(b)) the amount de-
2 termined for such State and year under paragraph
3 (2).

4 “(2) ALLOCATION AMOUNT DETERMINA-
5 TIONS.—For purposes of paragraph (1), the amount
6 determined under this paragraph for a year for a
7 State is an amount determined in accordance with
8 an allocation methodology specified by the Adminis-
9 trator.

10 “(c) ANNUAL DISTRIBUTION OF PREVIOUS YEAR’S
11 REMAINING FUNDS.—In carrying out subsection (b), the
12 Administrator shall, with respect to a year (beginning with
13 2021 and ending with 2023), not later than March 31 of
14 such year—

15 “(1) determine the amount of funds, if any,
16 from the amounts appropriated under subsection (a)
17 for the previous year but not allocated for such pre-
18 vious year; and

19 “(2) if the Administrator determines that any
20 funds were not so allocated for such previous year,
21 allocate such remaining funds, in accordance with
22 the allocation methodology specified pursuant to
23 subsection (b)(2)—

24 “(A) to States that have submitted an ap-
25 plication approved under section 3403(a) for

1 such previous year for any purpose for which
2 such an application was approved; and

3 “(B) for States for which allocations were
4 made pursuant to section 3403(b) for such pre-
5 vious year, to be used by the Administrator for
6 such States, to carry out the purpose described
7 in section 3402(2) in such State by providing
8 payments to appropriate entities described in
9 such section 3402(2) with respect to claims that
10 exceed \$1,000,000,

11 with, respect to a year before 2023, any remaining
12 funds being made available for allocations to States
13 for the subsequent year.

14 “(d) AVAILABILITY.—Amounts appropriated under
15 subsection (a) for a year and allocated to States in accord-
16 ance with this section shall remain available for expendi-
17 ture through December 31, 2023.

18 “(e) LIMITATION.—Amounts appropriated under
19 subsection (a) for a year (beginning with 2020 and ending
20 with 2022) are subject to the requirements and limitations
21 under sections 506 and 507 of division H of Public Law
22 115–31 in the same manner and to the same extent as
23 if such amounts for such year were appropriated under
24 such division.”.

1 **SEC. 3. ALIGNING QUALIFIED HEALTH PLAN GRACE PE-**
2 **RIOD REQUIREMENTS WITH STATE LAW**
3 **GRACE PERIOD REQUIREMENTS.**

4 Section 1412(c)(2) of the Patient Protection and Af-
5 fordable Care Act (42 U.S.C. 18082(c)(2)) is amended—

6 (1) in subparagraph (B)(iv)(II), by striking “a
7 3-month grace period” and inserting “a grace period
8 specified in subparagraph (C)”; and

9 (2) by adding at the end the following new sub-
10 paragraph:

11 “(C) GRACE PERIOD SPECIFIED.—For pur-
12 poses of subparagraph (B)(iv)(II), the grace pe-
13 riod specified in this subparagraph is—

14 “(i) for plan years beginning before
15 January 1, 2020, a 3-month grace period;
16 and

17 “(ii) for plan years beginning during
18 2020 or a subsequent year, such grace pe-
19 riod for non-payment of premiums before
20 discontinuing coverage as is applicable
21 under the State law of the State in which
22 the Exchange operates to health insurance
23 coverage offered in the individual market
24 (or, in the case such a State law is not in

1 place for the State involved, a 1-month
2 grace period).”.

